TOURISM AND THE ECONOMY

STRATEGIC DIRECTIONS FOR ONTARIO

SUMMARY

Ontario Ministry of Tourism and Recreation
Ken Black, Minister

90-07182/

TOURISM IN PERSPECTIVE

Ontario's tourism directions Ontario has the unique natural and cultural resources, and can attract the capital investment as well as develop the skills and infrastructure needed to be an internationally competitive tourist destination. But if we are to take full advantage of the growth in world tourism, the province needs a strategic framework that allows available resources, both public and private, to be better focused.

Ontario's Ministry of Tourism and Recreation is the province's lead agency for the development and marketing of tourism. In consultation with tourist operators, the public, other governments, other ministries and agencies, the Ministry has developed a set of strategic directions for tourism in Ontario, designed to foster a stronger tourism industry that can meet the changing demands of tourists, and to optimize the benefits of tourism to the Ontario economy as a whole.

By promoting sustainable development as the basis for tourism growth, the strategic directions signal new priorities for the use of our natural resources and the formation of new alliances.

Ontario's tourism directions focus on six principles:

- **Partnership** among all those involved in tourism – governments at all levels, the private sector, and the Ontario public.
- **Product Development** to meet the changing demands of tourists for experiences, facilities, and services.
- **Marketing** to promote Ontario as a high quality tourist destination to new markets.
- **Improved Customer Service** because the best promotion for tourism is a satisfied customer.
- **Major Events and Public Attractions** to stimulate international attention and attract visitors.
- **Promotion and Development of Ontario's Regional Assets** because our diverse regions offer unique attractions and significant development opportunities.

Partnership

Ontario's Ministry of Tourism and Recreation will actively encourage partnerships among different agencies and levels of government, the tourism industry, and the public to ensure that the marketing and development of tourism are as effective as possible.

The Ministry will support those who are prepared to make long-term commitments to success, such as: improving standards of service and marketing, development of community resources, and establishing financial, social, and economic policies that recognize tourism values.

In order to help set priorities and determine where tourism development dollars should best be spent, the Ministry will enhance, and make available, its research base to provide more data on markets, products, facilities, and competition. In partnership with the tourism industry, the Ministry is designing a system to better identify and monitor new trends, which in turn will improve product-market matching.

Product Development

In order to be successful in the rapidly changing tourism marketplace, the development of new products must be guided by customer demands.

Today's more experienced and discriminating tourist is looking for a wider range of accessible and well-packaged products. Tourists judge value on the basis of perceived quality, reputation, cultural amenities, the image the tourism product conveys, and international standards of food and accommodation.

Internationally, and especially in North America, our competitors are moving quickly to meet these demands. If we are to remain competitive, new market-directed products must be developed, and existing facilities must be upgraded. The aim is to meet the highest international standards of quality.

In partnership with the private sector and other stakeholders, the Ministry will identify those areas in the different regions which can best serve to address the priorities for developing new products and tourism experiences.

Internationally Recognized Destination Areas with strong four season appeal, a wide range of amenities, and economies of scale. These destination areas, such as Toronto, Niagara Falls and the National Capital Region, can also attract visitors to other parts of the province.

Regional Gateways that offer access and support facilities for outdoor and other tourism experiences in surrounding areas.

Specialty Tourism Experiences that respond to the needs of today's more discriminating, affluent tourist.

Themed Touring Routes that link tourist attractions and support services such as accommodation and restaurants.

Marketing

Targeted promotion of Ontario tourism will play a key role in the development of the province's tourism economy. As well as helping to attract visitors, tourism marketing can also foster positive perceptions about Ontario's business environment. This in turn can stimulate increased investment in the province.

In light of increasing competition for tourist dollars, Ontario must strengthen its marketing activities, especially abroad where the greatest opportunities lie. To accomplish this, the Ministry will increasingly rely on joint marketing ventures with the private sector, focus on markets with the highest potential yield in terms of tourist dollars spent, and encourage the private sector to take on an increased role in the marketing of tourism within the province.

In all countries and geographic areas, Ontario's marketing efforts will focus on Ontario tourism products which match demand. Emerging "investment" markets will be identified and targeted, both in the United States and abroad. Increased efforts will be directed towards attracting special interest groups such as anglers and outdoor adventurers, especially from the United States.

Over time, the Ministry's newly developed return on advertising model will measure the effectiveness of our long-term marketing strategies to ensure that individual advertising campaigns are co-ordinated with provincial priorities for development.

Customer Service

The best promotion for Ontario tourism is a satisfied customer. That requires quality service from the tourism industry and a quality reception by the Ontario public.

In order to help position the tourism industry as an attractive career opportunity and to ensure that service, language, and skills are upgraded to meet market demands, the Ministry of Tourism and Recreation will work with other ministries and the private sector to identify and develop targeted education and training programs.

The Ministry will also help promote the economic, social and cultural advantages of tourism to all Ontarians. The better communities understand the value of tourism, the more supportive they can be of overall tourism development and marketing efforts. The Ministry will work with local governments to identify opportunities for their participation in improving local commitments to the tourism and recreational infrastructure.

The Ministry will also encourage the development of high quality information services throughout the province to complement its own travel centres which are undergoing major renovations and improvements. The aim is to ensure that travellers can get quality as well as friendly and efficient information, when and where it's needed.

Major Events and Public Attractions

Major international events can raise awareness of Ontario as a tourist destination and attract large numbers of visitors.

In partnership with sporting organizations and other community groups, Ontario has expressed its strong interest in staging major international athletic meets, exhibitions, world fairs and cultural festivals.

Ontario's location in the heart of North America and its excellent transportation, communications and business infrastructure make it an ideal site for such venues, both for visitors and organizers.

Ontario will assume an aggressive role in promoting the province as a host for major international events, and the Ministry of Tourism and Recreation will play a key role in influencing the selection process.

Ontario will also participate in international events hosted by others to increase its profile and promote itself as a tourist destination to the world.

Major public attractions such as Ontario Place, our provincial parks and our convention centres, are also excellent tourist generators, and the government will examine innovative ways in which the tourism returns from these and other major attractions can be optimized.

Promotion and Development of Ontario's Regions

A strong and healthy tourism industry can make a major contribution to the provincial government's goal of promoting regional economic growth.

Ontario's international reputation as a tourist destination rests on the variety of experiences and amenities of its widely different regions. Tourism development and marketing can help the regions not only build on traditional markets, but also better respond to changing consumer demands. Eastern and Northern Ontario in particular are well endowed with the resources that can best meet emerging market needs.

The Ministry of Tourism and Recreation will seek partners in other levels of government and in the private sector with whom to develop and promote regional tourist attractions of historical, cultural and natural interest.

The marketing activities of the Ministry will continue to reflect the diversity of products and features of all regions. However, as research becomes available, product-market matches will be increasingly regionalized to specifically target those customers within a given market that are most likely to be interested in a particular product.

Tourism is Important Tourism is one of Ontario's most important industries. It ranks fourth in terms of export earnings and sixth in terms of its income multiplier effect. Tourism is also a sustainable development industry. It both depends upon, and can be a stimulus to, the wise use of our natural, cultural, historical and heritage resources.

Tourism is Growing Tourism is the world's fastest growing industry, producing over two trillion dollars in tourism receipts each year. Competition for the tourist market is increasing dramatically. For instance, worldwide tourism marketing expenditures have jumped 15 per cent between 1980 and 1985.

Tourism is Changing Today's tourists are different. Tourists are aging and have become more affluent; their standards for service are rising. They want value; and while price continues to be important, so too are quality experiences and quality service. Families with dual incomes take more but shorter vacations. As well, more tourists are demanding specialized tourism experiences, combining such differing elements as a wilderness outing with shopping and dining in a major city.

TOURISM FACTS

Tourism revenues worldwide, in dollars: **2 trillion**

Rank of tourism in terms of revenue worldwide: **1**

Rank of tourism in terms of growth worldwide: **1**

Annual per cent growth in tourism marketing expenditures worldwide between 1980 and 1985: **15**

Direct tourism expenditure in Ontario tourism in 1988, in dollars: **15 billion**

Direct and indirect income from Ontario tourism in 1988, in dollars: **22 billion**

Taxes generated by Ontario tourism in 1988, in dollars: **6 billion**

Direct and indirect person years of employment in Ontario tourism in 1988: **750,000**

Rank of tourism industry in Ontario in terms of source of foreign earnings in 1988: **4**

Projected rank in 2000: **3**

Per cent of tourism businesses in Canada employing fewer than 50 people: **85**

Rank of visitors from Ontario, United States, other countries and other provinces by level of spending in Ontario: **1, 2, 3, 4**

Per cent growth in overnight visitors to Canada from outside North America between 1984 and 1988: **63**

Per cent growth in overnight tourist revenues in Canada from overseas between 1984 and 1988: **110**

Rank of U.K., Japan and West Germany in terms of spending while visiting Ontario: **1, 2, 3**

Per cent growth in tourism arrivals between 1982 and 1987 throughout the world: **4.6**

For Ontario: **2.9**

Rank of Canada as favourite destination for American tourist in 1980: **1**

In 1988: **3**

Revenue generated for every dollar spent by Ontario on tourism advertising, in dollars: **21.72**

Ratio of spending on tourism advertising by U.S. states bordering Ontario to spending by Ontario: **4 to 1**

Per cent change in trips by Ontario residents within Ontario between 1988 and 1989: **- 25**

Per cent change in trips by Ontario residents to the United States between 1988 and 1989: **+ 20**

Spending by tourists on non-tourist businesses in Ontario for every dollar spent on tourism businesses, in cents: **31**

Estimated current number of North American golfers: **23 million**

Projected in 2000: **40 million**

FUTURE PROSPECTS

As a first step towards implementing the strategic directions, the activities of the Ministry of Tourism and Recreation are being re-oriented to meet the identified priorities. To ensure that the marketing and development of tourism are as effective as possible, the Ministry will increasingly share both the costs and the control of its initiatives in these areas with the private sector as well as other levels of government.

Since other ministries and agencies also have an impact on the health and future of the tourism industry through their tourism-related activities, the Ministry will establish an inter-ministerial tourism committee to allow key ministries to co-ordinate their actions in a timely and effective manner.

The strategic directions provide a policy and planning framework within which the various partners, including the Ministry of Tourism and Recreation, will establish clearly identified roles and responsibilities.

Co-operation between all levels of government and the tourism industry is necessary if new tourism products that meet market needs are to be developed, which in turn will ensure that Ontario remains competitive in world tourism.

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TOURISM IN PERSPECTIVE

Tourism is one of Ontario's most important industries, and it offers immense opportunities for the future. Growth in tourism is consistent with the need to use our natural resources wisely and to enhance their aesthetic qualities; in other words, to engage in sustainable development.

The Ministry of Tourism and Recreation is the province's lead agency for the marketing and development of tourism in Ontario. It also supports and works with tourist operators, other governments, and other provincial ministries and agencies with responsibilities which affect the growth of Ontario's tourism industry.

In consultation with the industry and colleagues in the Ontario government and through an extensive series of round tables, the Ministry has developed a framework of strategic directions to enable Ontario to meet the changing demands of tourists, both today and over the next decade, and to optimize the benefits of tourism to the Ontario economy.

This framework will foster a strong tourism industry in Ontario. Its premise is that Ontario has the unique natural and cultural resources, and that it can attract capital investment and can develop the skills and infrastructure to be an internationally competitive tourist destination. With the recognition

that government resources for tourism development and marketing are limited, Ontario's strategic directions focus available resources more effectively by establishing the policy and planning framework for government support for tourism development and marketing.

Ontario's tourism sector has the potential to compete more effectively than it does now while supporting the preservation and conservation of our natural and cultural resources.

The six principles of the strategic directions are:

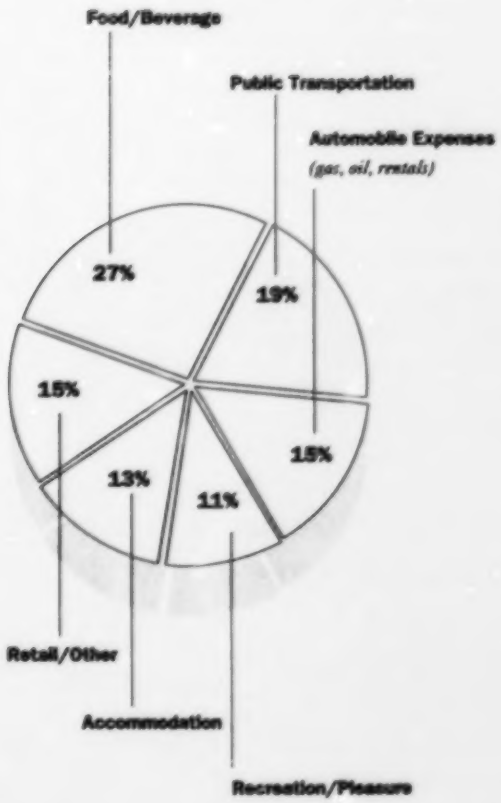
- *Partnership* – among the Ministry of Tourism and Recreation, other ministries and agencies of the Ontario government, local communities, the private sector, other governments, and the public;
- *Product Development* – to provide infrastructure, facilities and services which will meet the current and future demands of tourists;
- *Marketing* – based on an understanding of the changing demands of today's tourist and on emerging trends in tourism markets;
- *Improved Customer Service* – because the best promotion for our tourism industry is a satisfied customer;
- *Major Events and Public Attractions* – to attract both visitors and the attention of the world to Ontario, and because public attractions serve as major travel generators; and
- *Promotion and Development of Ontario's Regional Assets* – because Ontario's regions offer unique attractions and significant development opportunities.

Tourism and the Economy

Ontario's tourism industry is an important sector of the economy, ranking fourth after motor vehicles/parts and transportation, forest products, and industrial machinery/parts as a source of foreign earnings. In 1988, direct tourism expenditure in Ontario amounted to almost $15 billion. This generated total income of $22 billion, 750,000 person-years of employment, and over $6 billion in taxes to all levels of government.

The effects of tourism spending are felt well beyond the industry itself. Besides benefiting certain regions, tourism spending is generally focused on local service sectors, such as travel and accommodation, trade and finance, food services, and utilities. Positive direct impacts are reinforced by strong "ripple effects" or indirect impacts on other sectors. For every dollar of initial tourism spending, another 31 cents of income was generated in indirectly related sectors such as agriculture and manufacturing, ranking tourism 6th out of 26 industries in terms of income multipliers.

Distribution of Direct Tourism Expenditure of $15 billion, 1988



Sources: Ministry of Tourism and Recreation, Ontario Travel Monitor, 1988, preliminary data

There are other economic benefits. For instance, travel in the province can contribute to the decision by foreign residents to invest and do business here.

Perhaps most important, tourism is a growth industry. The annual growth rate of tourism has exceeded most other sectors in Canada since 1980. According to the World Tourism Organization (WTO), world-wide tourism generates $2 trillion in spending and accounts for 12 percent of the world GNP, making it the world's largest industry. The U.S. Department of Commerce also indicates that tourism is the world's fastest growing sector.

The structure of Ontario's tourism industry reflects historical development patterns. On the supply side, Ontario's tourism industry consists of a very broad range of firms in terms of size, sophistication, and the kinds of services and products offered. Tourism Canada estimates that 85 percent of these firms are small businesses employing fewer than 50 people.

Ontario's tourism plant, the collection of facilities, attractions and services which together serve the tourist's demands and needs, is distributed throughout the province, with concentrations around Toronto, Ottawa and Niagara Falls. The industry reflects the efforts of individual entrepreneurs in the various regions who develop their own tourism products.

Markets

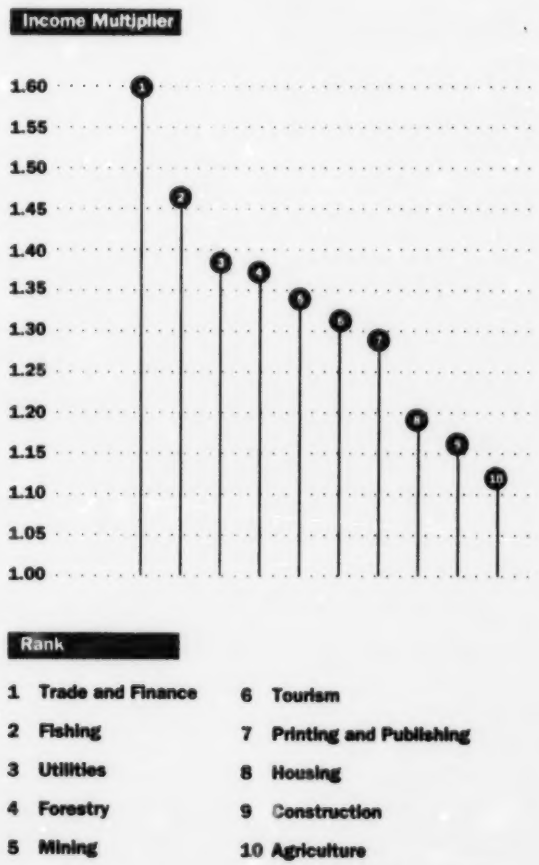
Ontario's tourism market has four components. In descending level of expenditure, these are: Ontario, the United States, other countries, and other provinces.

The overseas market has been both Ontario's and Canada's fastest growing market. Between 1984 and 1988, overnight visits to Canada from overseas grew 63%, while receipts grew by 110%. During the same period, there has been only modest growth in U.S. traffic to Canada and Canada's share of the U.S. market has declined. Ontario has been most affected by the slow growth, with U.S. visits up only 10% from 1984 to 1988 and spending up only 23% over the same period, lowest among all regions of Canada.

Despite their very different sizes, each market is important to Ontario. Tourists from other countries, particularly the U.K., West Germany and Japan, on average spend more per person visit than do U.S. tourists. Tourists from other countries are also important because they make up the fastest growing new source of tourism expenditures and because many of them are looking for the kind of tourism experience – such as outdoor adventure – which Ontario is well-positioned to offer. The United States remains our largest foreign market; proximity dictates that it will remain important.

Industry Income Multipliers

A comparative perspective, 1985, selected industries



Note: The comparison is among a total of 26 industries only

Source: Ministry of Tourism and Recreation, Economic Impact of Tourism in Ontario, 1985.

STRUCTURE OF ONTARIO'S TOURISM INDUSTRY

Accommodation

Transportation • Food & beverage service

Travel agencies • Tour companies

Souvenirs • Travellers cheques • Attractions • Camping

Fishing • Hunting equipment

Luggage, etc.

Hotel and Restaurant supplies • Auto clubs

Parks, Recreational centres • Sporting events • Taxi services

Cameras, Film • Maps, Travel books • Reservation systems

Museums, Cultural activities, Theatres, etc. • Car rentals

Retailers, Shopping malls • Credit cards, Banking services

Service stations

Telecommunications

Construction, Real Estate • Distillers, Brewers, Bottlers • Advertising media

Motor vehicle manufacturers • Motor fuel producers

Clothing manufacturers • Telecommunications

Educational & Training Institutions • Financial institutions

Computers, Communications networks

Airplane manufacturers

Cartographers, Printers, etc.

Food producers, Distributors

Source: Tourism Canada

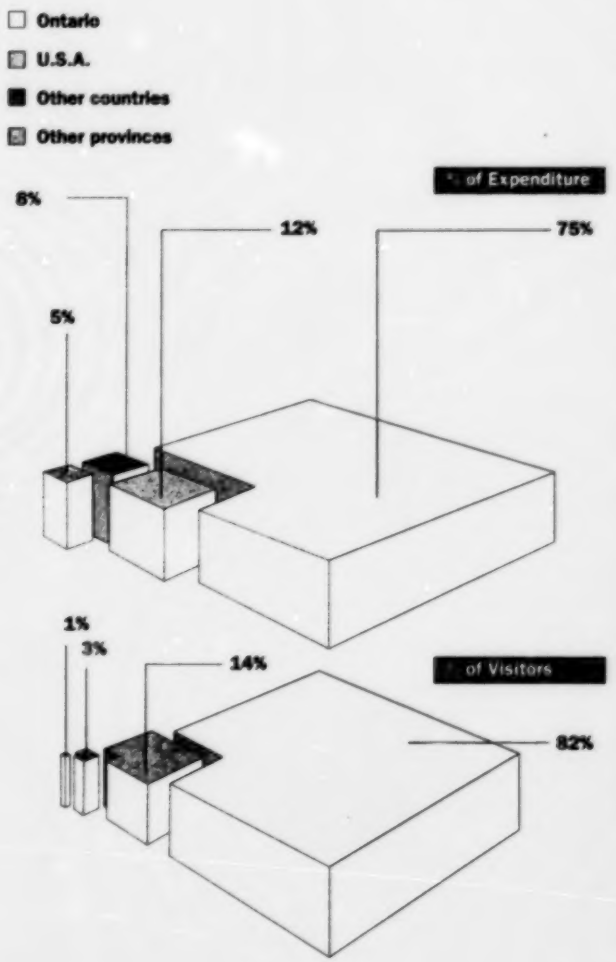
As the largest source of tourism expenditure overall, Ontario residents will be an important market for many of the emerging tourism products. Encouraging Ontario tourists to travel in Ontario rather than in other countries can make a significant contribution to reducing our travel deficit. The strategic directions will help Ontario's tourism industry adjust and respond to these shifts in our markets, and to the changing demands of tourists from both home and abroad.

Recent Trends

Tourism's importance to the Ontario economy has grown in recent years with the rise in personal incomes and increases in leisure time. The trend toward more leisure time now appears to have peaked, however, and this is having an impact on tourism. People are taking more holidays, but of shorter duration. Americans are taking shorter trips and more weekend excursions partially because of the rise in dual income families and the resulting loss of flexibility in scheduling vacations.

Air travel by U.S. tourists has increased at the expense of automobile travel, particularly at the expense of the automobile touring holiday, traditionally an important part of spending by Americans in Ontario. Cheap airfare, due to airline deregulation, and the development of new products have dramatically increased the travel options open to Americans.

For these and other reasons, the tourism market has emerged as a global growth industry. The impact on the Ontario tourism industry, however, has been mixed. While international tourism has been growing steadily in recent years, Ontario has not been keeping pace. Internationally, tourism arrivals grew by 4.6 percent a year between 1982 and 1987; during the same period, arrivals to Ontario grew by only 2.9 percent annually.



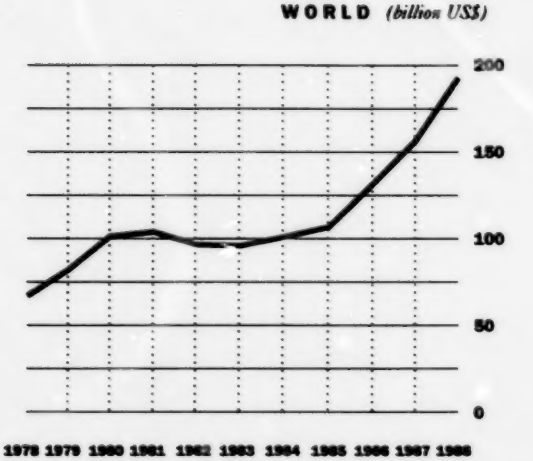
Sources:
Ontario – Ministry of Tourism and Recreation, Ontario Travel Monitor, 1988;
U.S.A. and Other Countries – Statistics Canada;
Other Provinces – Tourism Canada, Canadian Travel Survey, 1988

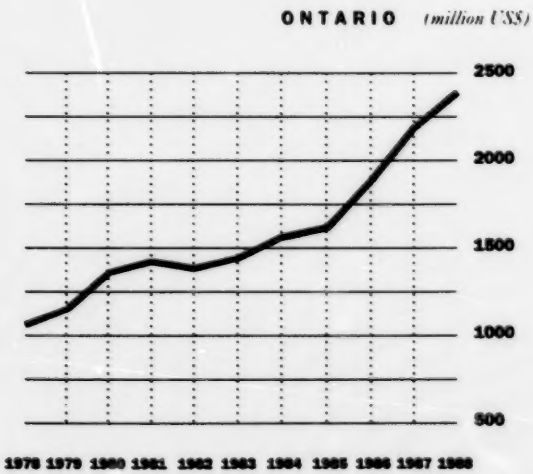
In some ways more worrisome than these overall international trends is the fact that relatively fewer Americans are taking their vacations in Canada. Formerly the number one foreign destination of American tourists, Canada has now fallen into third place behind Mexico and overseas destinations. Favourable exchange rates, falling air travel costs, new and improved tourism products in other countries and the older age and affluence of modern travellers, are some of the factors contributing to a much more competitive international tourism market, and provide some explanation of why growth in U.S. overnight pleasure travel to Ontario has been relatively flat in the 1980s.

At the same time that overnight pleasure trips by Americans to Ontario have flattened, the share of the tourism expenditures of Ontario residents spent outside the province has grown. Overnight pleasure travel within the province by Ontario residents is down significantly from the highs of 1979 and 1980.

The decline has been more noticeable recently: in 1989, total person trips by Ontario residents within Ontario were 25 percent lower than in 1988. Over the same period, trips from Ontario to the United States increased

World and Ontario International Tourism Revenue Receipts, 1978-1988





Sources:
World – World Tourism Organization
Ontario – Statistics Canada

	World International Tourism Receipts *(millions of US$)*	Ontario International Tourism Receipts *(millions of US$)*
1978	68,837	1,049
1979	83,332	1,171
1980	102,363	1,333
1981	104,296	1,437
1982	98,616	1,385
1983	98,475	1,444
1984	102,521	1,531
1985	108,091	1,605
1986	130,109	1,855
1987	158,714	2,189
1988 *(p)*	195,000	2,359

(p) – preliminary

by 20 percent. This reflects a longer term trend, apparent through the eighties and particularly since 1987, of increased pleasure trips to the United States. Several factors are promoting this trend, including the growing popularity and expanding seasonality of sun destinations, new product, high discretionary income of Ontario households, and increasing U.S. travel advertising budgets.

The issues facing Ontario's tourism industry are shared by other mature markets and industrialized nations. Most Canadian provinces as well as many U.S. states themselves, have experienced decline in U.S. travel recently, and several major European destinations, including Italy and the United Kingdom, report falling real receipts from international travel for 1988. Ontario tourism must find innovative solutions to cope in this increasingly competitive international market.

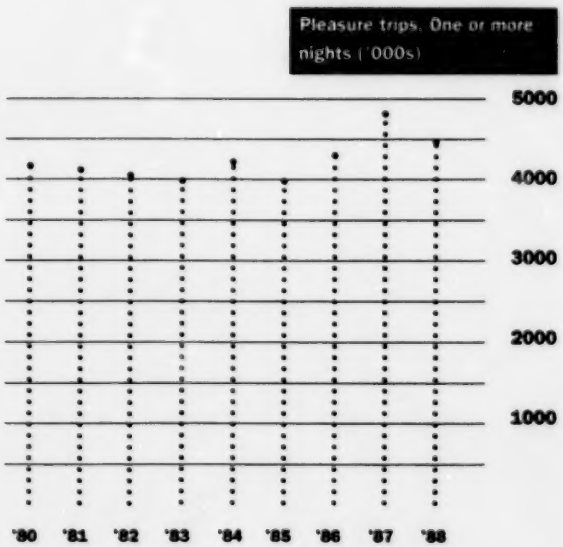
Changing Expectations

The social, economic and structural trends described suggest that the international tourism industry is poised for continued growth in the future. In most industrialized countries – the source of almost all tourism expenditure – the aging of the baby boom generation is promoting conditions that will stimulate travel. The increase in dual income families, the continued (although slower) rise in real disposable income and expanding world trade should all contribute to increased tourism opportunities for Ontario.

At the same time, however, travellers' demands and needs are changing. Families in which both partners work often face constraints on their leisure time choices; they may want more vacations but of shorter duration. They may want to take their holidays at a time other than the traditional summer months. They may want a very specialized kind of tourism experience, or they may want a holiday that combines widely different elements such as, for example, a wilderness outing followed by a few days of shopping and restaurants.

And as these more affluent, aging tourists travel more, their standards become ever higher. The kinds of tourism experience they are seeking frequently require

U.S. Person Trips to Ontario

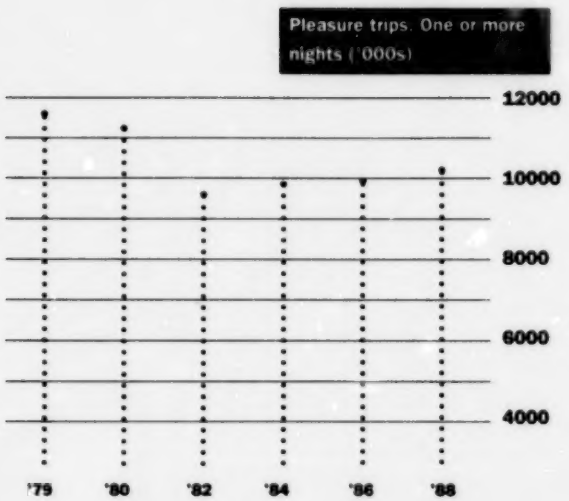


Source: Statistics Canada

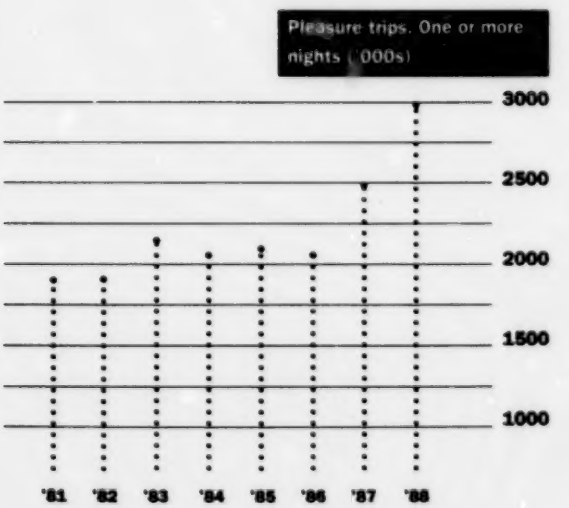
advance planning and package buying. Such tourists are more sensitive to the issue of time than the issue of price.

The recent experience of the tourism industry reflects the changing expectations of tourists. The most recent Ministry research suggests that tourism operators who have maintained a high level of service – together with a strong emphasis on marketing and upgrading their products – have continued to do well despite the difficulties that the industry as a whole has experienced. This is especially true for resorts and lodges specializing in package tours which appeal to tourists who plan their holidays well in advance. Operators in the market for specialized outdoor tourism experiences – kayaking in Georgian Bay, canoe trips, fly-in outpost camps – are also performing well.

Ontario Person Trips to Ontario



Ontario Person Trips to the U.S.



Source: Statistics Canada

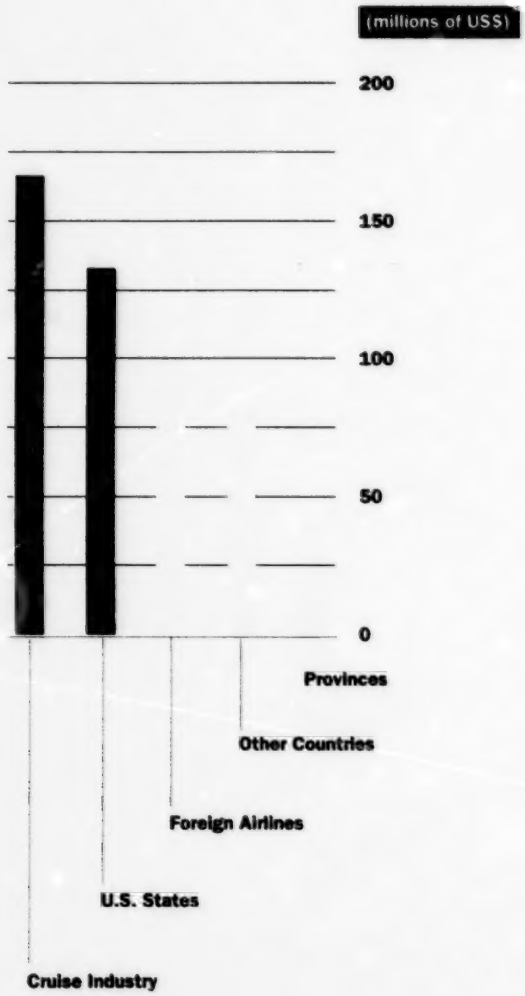
The aging of the "baby boom" also has implications for the tourism industry, with negative consequences for the ski industry and positive impacts for cruising and golfing. Golf, in particular, is growing in popularity: the U.S. National Golf Association reports that the number of golfers in the U.S. has now reached 23 million and will climb to about 40 million by the year 2000. Because of its climate, if Ontario is to benefit from the growing popularity of activities like cruising and golf, it will have to develop unique and innovative product. The new demand for soft adventure and exotic vacations will require imaginative approaches.

The growth of specialty markets and new forms of vacations clearly provide the opportunity to promote Ontario's wide diversity of scenery, cultures, and facilities. If Ontario is to take advantage of the growth in international tourism and in the growth of the market for new kinds of tourism products, several challenges must be met. As we have observed, Ontario's tourism industry

is fragmented and diffused. It tends to be seasonally dependent. There is also evidence that the tourism industry is slower than others in responding to growth opportunities and to changes in demand.

At the same time that opportunities are growing – indeed, because they are growing – the competition for tourist dollars is also becoming more intense. Already our competitors in the United States and elsewhere are responding to the new environment with more aggressive marketing: currently, U.S. border markets, our main competitors, are outspending Ontario in advertising by a margin of about four to one. Worldwide, tourism has been recognized as an industry of the future and has been singled out as a means of fostering economic growth. With few exceptions, governments all over the world are playing a much more prominent role than in the past in the development and marketing of their tourism industries. Ontario, too, must adopt a tourism strategy which builds on the unique partnership of the public and private sector players.

1988 Advertising Expenditures in the United States by Selected Groups



Source: Ogilvy and Mather

Co-operation, Commitment and Sharing

Comprehensive, centralized public sector programs do not work in the kind of fast-growing, specialized and fragmented markets that characterize modern tourism. Building an internationally competitive tourism industry must be a collective task.

Partnership means co-operation – between private and public sectors, among different agencies and levels of government, and among the tourism industry, government and the general public. The Ministry of Tourism and Recreation will actively encourage partnerships through its programs to ensure that the marketing and development of tourism are as effective as possible.

Partnership also means commitment. To be successful, all partners must be prepared to make long-term commitments, both in terms of planning and financing. That applies to the tourism industry as well as the different levels of government. The Ministry will support those who are prepared to take on new responsibilities and commitments; for example:

- the tourism industry in improving standards of service and marketing efforts;
- communities in developing their resources and addressing the needs of tourists;
- ministries and the federal government in establishing financial, social and economic policies which recognize tourism values; and
- the public in encouraging high standards of hospitality and customer service.

Finally, partnership means sharing. The very process of developing strategic directions for Ontario has provided an opportunity for different players in the industry and government to share their vision for the future of Ontario's tourism industry. Increasingly, decisions about marketing

Building an internationally competitive tourism industry must be a collective task

and development priorities must be shared by those elements of the industry willing and able to participate and respond. And those who share in the benefits must also be prepared to share in the costs. The Ministry will increasingly share both the costs and the control of development and marketing initiatives with the private sector and with other levels of government.

Partnerships in Marketing

In co-operation with Tourism Ontario, in the fall of 1988, the Ministry held a tourism marketing summit. The summit, attended by all the key players in the industry, is the forum where the Ministry's marketing plan is shared with industry, priorities set, and opportunities for joint promotion explored. The marketing summit will be held every two years.

One of the most pressing needs identified during consultations on the strategic directions was better research

Partnerships with Other Governments

Ontario and Quebec have been working jointly to promote the two provinces in Japan under a joint agreement signed in 1987. Co-operation has meant lower costs and higher impact. The success of this program has prompted other provinces and the federal government to consider a Canada-wide strategy in the Japanese market, in conjunction with private sector partners.

Partnerships with Non-Traditional Partners and Communities

Ontario's regions and communities must also play a more active part in fostering their tourism industries and in promoting themselves as tourism destinations. A recent example of this type of partnership was the opening of the Prescott Harbour in May 1989. Partners in the development of the 149 slip marina and waterfront park included the City of Prescott, the federal government and the Province.

Ottawa's annual winter fair, Winterlude, attracts 1.3 million visitors and has an economic impact of $35.4 million. Funding for the organization of Winterlude has come from the Ministry of Tourism and Recreation, the federal Department of Communications, the National Capital Commission, the Quebec Ministry of Tourism, some 20 municipalities surrounding Ottawa, and a long list of corporate sponsors, many of them non-traditional tourism industry partners – companies whose primary business is not tourism.

Partnerships with Local Entrepreneurs

In keeping with the spirit of the strategic directions, the Ministry has also started to work with a variety of partners in support of specific tourist development projects. The private sector in particular will be increasingly involved with the development and marketing of tourism in Ontario.

With the Ministry's help for both planning and feasibility studies and for redevelopment, a group of local businessmen reopened an expanded ski resort, north of Sault Ste. Marie. The resort is now operating at near capacity, attracting almost 100,000 skiers each season, up from 29,000 in 1986. Approximately 30% of its market is from the United States.

Partnerships for Better Research

One of the most pressing needs identified during consultations on the strategic directions was better research. Reliable data on markets, products, facilities and competition can help us set priorities and determine where tourism development investment should be encouraged. The Ministry's research capabilities will therefore be enhanced.

In partnership with the federal government and the tourism industry, a National Task Force on Tourism Data was convened to identify information and research needs of the public and private sectors, and to indicate projects to meet those requirements.

In partnership with the industry, the Ministry is designing a system to help the industry compete more effectively in major markets. The system will be a comprehensive framework for generating accurate regional data for tourism sub-sectors, matching supply and demand, and tracking tourism industry performance against other sectors of the economy.

PRODUCT DEVELOPMENT

Until recently, the tourist industry had only to identify its products to stimulate demand. The range of products was quite limited: sun and sea, winter sports, fishing, cruising, golfing, etc. Today's tourist is looking for a wider range of tourism experiences and more accessible and better packaged products. He or she judges value on the basis of less tangible and more quality-related standards, such as a destination's reputation, cultural amenities, the image the tourism product conveys, and international standards of food and accommodation. Today's tourists are older and more travel-experienced. They are also more discriminating. They want higher quality experience and higher quality service, and they have an eye for value.

As we have seen, the tourism industry is responding to this shift by offering a broader range of tourism experiences, such as special interest touring, adventure vacations, health spas, and specialty shopping. Tourist operators are offering products that can be tailored to meet individual demands, rather than a mass market.

...our competitors in the North American market are already focusing their resources to better meet the changing needs of their customers. Ontario must do the same

Outside the large urban centres, however, Ontario's tourism products and experiences sometimes do not reflect the expectations of more experienced and demanding travellers. Yet our competitors in the North American market are already focusing their resources to better meet the changing needs of their customers. Ontario must do the same. The development of new tourism products must be guided by the demands of the international tourism marketplace, and marketing efforts, in turn, must be consistent with development priorities. We must anticipate where tourism trends are going, rather than simply following them.

Experience in Canada and elsewhere strongly suggests that tourism facilities should be clustered in given areas. Synergies develop to everyone's advantage. Economies of scale are better realized, promotion and other costs are shared. Greater impact results, attracting more

people from longer distances. In turn, more business opportunities emerge and financing is more readily available.

Existing facilities must be upgraded to attract the more experienced traveller. In this regard, the Ministry will continue to support a program administered on the industry's behalf by Tourism Ontario. The program rates the quality of accommodations. To be eligible for financial assistance from the Ministry, establishments must participate in this program. The aim is to meet the highest international standards of quality.

Priorities for developing new products and tourism experiences have been established. Four priority areas will be the focus of the Ministry's assistance and support for the development of products and experiences which can attract visitors to the Province and are most likely to be in demand in the future.

Internationally Recognized Destination Areas

Because of Ontario's vast size and the variety of potential experiences available within its borders, our efforts must be focused on areas which have strong international appeal. Internationally recognized destination areas, such as Niagara Falls and the National Capital Region, must offer a full range of commercial and recreational facilities, as well as restaurants and accommodation. They ideally have four season tourism appeal and are easily accessible from outside and inside the country. For investors, the synergies and economies of scale at destination areas create an attractive investment climate. For tourists, destination areas offer all the amenities. Most important, destination areas have the international appeal which can draw tourists to the Province, and from there to the wide range of other types of tourism experiences which Ontario has to offer.

Regional Gateways

Just as important to the future of Ontario's tourism industry are regional gateways, cities and towns which may not in themselves be recognized tourist attractions, but which provide access and support facilities for outdoor and other tourism experiences in the surrounding areas. Because they will increasingly be serving the needs of more discriminating, experienced travellers, regional gateways should in themselves have the potential of achieving international standards of service and products.

Specialty Tourism Experiences

The Ministry will provide support and assistance to the planning and development of specialized tourism products which respond to the demands of today's more discriminating, affluent tourist. Some recent examples include:

- the conversion of an 85 year old colonial style mansion into a country house hotel, with pool, tennis courts, skiing, hiking trails, and formal period gardens;

- the creation of a remote retreat experience, but with modern facilities and excellent French cuisine; and
- the expansion of Ontario's oldest operating inn to provide accommodation and fine dining in a setting of historic comfort and elegance.

Specialty experience markets have also developed around leisure activities such as:

- white water rafting;
- cross-country skiing;
- sport fishing;
- snowmobiling;
- golfing; and
- fly-in fishing camps in the north.

...our efforts must be focused on areas which have strong international appeal...

Themed Touring Routes

Themed touring routes – on either land or water – provide a coherent link for tourist attractions and support services. At the regional level, a touring route offering tourism products as well as quality restaurants and accommodation can make travel a tourism experience in its own right. A local touring route, featuring local events, culture and attractions, provides the opportunity to introduce tourists to lesser-known products and experiences off the beaten track.

Ontario's Role The Ministry will work with the tourism industry and other stakeholders to identify those areas in the different regions which can best serve to address the above priorities. Each region has a set of strengths or unique features which can match the demands of tomorrow's tourist. However, success will very much depend upon the partnerships (both public and private) which form to make things happen, and the degree of commitment from those who take part.

Needs will vary and will be addressed on a case by case basis. Provincial programs are in place to provide financial assistance for special attractions and recreational amenities, contribute to municipal infrastructure, construct information and interpretive centres, support development on crown lands, and install appropriate signage. Private interests and local governments must be prepared to contribute.

The Ministry will be a strong advocate when help is required from other ministries, for example in expediting given projects through the approvals process, staging public forums, and providing leadership in developing a concensus.

Over the past decade, jurisdictions everywhere have become more aggressive in their marketing of tourism. Worldwide investment in tourism marketing programs grew 15 percent a year between 1980 and 1985. Average U.S. state advertising budgets have increased by 60 percent from 1984 to 1989. Collectively, the northeastern American states, which touch on the Ontario border, currently outspend Ontario by a four to one ratio.

In the past, Ontario relied largely on the federal government to provide leadership in attracting international visitors. With reduced federal commitment, the Province must now strengthen and focus its own investment in tourism marketing abroad – especially in light of increased tourism promotion by other countries.

To strengthen its role, Ontario will increasingly rely on new partnerships with the private sector. Joint marketing ventures, development of new packaged products and coordinated sales efforts will be required.

To focus the Province's own investment, Ontario will place the highest priority on selected foreign markets which represent the highest potential for new business and generate export dollars. Ontario will focus its efforts on the United States, Japan, the U.K., West Germany and France.

Benefits of Marketing

Many governments are finding that tourism is an effective way of promoting their countries within the international community.

A positive tourist environment and a strong image as a tourism destination contribute to the perception of a positive business environment. Successful tourism marketing can generate increased investment in Ontario, within and outside the tourism industry, and increased interest in Ontario's arts and culture and in Ontario as a place to live and do business.

Increased co-ordination of government activities abroad will stimulate additional tourism revenue. Cultural or sporting events featuring Canadian performers and athletes can have a positive effect on travel when they take place in key tourism markets.

The Ministry of Tourism and Recreation has developed a Return on Advertising Model to measure the effectiveness of its advertising in major markets. The model will be used to link advertising costs to provincial tourism revenues.

It is estimated that in 1988 each dollar spent by the Ministry on tourism advertising in Ontario and the United States yielded $21.72 in spending by travellers in Ontario. This translates into a return of $202 million on an investment of $9.3 million.

New Opportunities

The aim of Ontario's marketing strategy is to focus on those markets with the highest potential yield (dollars spent per tourist) and on tourism products which Ontario can best provide to meet market demand. Consequently, a priority will be placed on selected foreign markets which not only provide high yield but represent export dollar earnings. Individual marketing campaigns will be tailored for U.S., U.K., Japan, West Germany, and France and the products featured will be tailored to the needs of each market.

In addition, future marketing efforts will concentrate on increasing overnight pleasure trips by tourists staying in commercial accommodation. Although day trips, visits to friends and relatives, staying at personal cottages, and business travel are all important, they are generally outside the reach of our marketing activities. Marketing aimed at the overnight visitor, however, can have a positive impact on these other market segments.

In all countries and geographic areas, Ontario's marketing efforts will focus on Ontario tourism products which match demand. For example, in an increasingly urban and industrialized world, there is growing demand for tourism products and tourism experiences that are fresh, natural and represent traditional values. Ontario is well positioned to meet this demand with its safe, clean, extensive and attractive natural environment.

Growth in Selected Overseas Markets, 1985-1988

	Number of visitors to Ontario		Average Annual Growth
	1985	1988	
Europe	573,393	1,017,076	21%
Asia	134,343	251,177	23%
Japan	80,073	243,964	45%

Source: Statistics Canada

Ontario's Image as a Vacation Destination
– USA Investment Market Respondents

... April '89 (Pre-campaign)
••• September '89 (Post-campaign)

Source: Ministry of Tourism and Recreation, Advertising Tracking, 1989

United States

Analysis of U.S. overnight visits to Canada indicates that travel peaked during the late 1960s and has since levelled off. A major factor in this trend is declining population growth in U.S. border states, relative to sunbelt and coastal regions. Ontario must therefore invest in new U.S. markets to stimulate growth, while ensuring that its share of the traditional U.S. markets will not be further eroded due to increased competition.

Our reach into the U.S. will be extended beyond traditional border markets. Emerging "investment" markets will be targeted. A healthy growth in positive images of Ontario has already resulted from initial efforts at targeting the Chicago and Boston "investment" markets.

Additional new U.S. market areas and consumer segments which offer high potential pleasure travel will be identified. Ministry research has identified promising new market areas, such as Pacific and Mountain states.

Increased effort will also be placed on identifying new, high potential consumer segments. Increased efforts to capture special interest groups such as anglers and outdoor adventures from across the U.S. are already underway.

Overseas

Marketing efforts will be expanded in fast-growing overseas markets that also produce significant volume to Ontario. Country specific plans will be designed for and targeted at experienced long-haul travellers. These markets are Japan, the U.K., West Germany and France. They have had significant exposure to Canada through

media, business, or family and friends. Consequently, Ontario can now take an active role promoting the province as a distinct destination within Canada. Partnerships with other governments, gateway cities, airlines, wholesalers and tourism suppliers will be key to the success of marketing programs especially in developing new travel trade product.

There are also several countries that are starting to emerge on the global tourism market. In many of these markets, Canada is not yet well known. Ontario will encourage Tourism Canada to take the lead role in these markets. Strong partnerships with the provinces, airlines and local wholesalers will also be essential.

Domestic

Domestic tourism business will continue to be the largest component of the tourism visitation in Ontario. The number of Ontario residents travelling in the province declined substantially in 1989 after several years of growth, although the decline in the one to three night (short trip) segment has been marginal. This short trip segment has increased its share of total trips, signalling a key opportunity for the future. Quebec tourism to Ontario is also significant but has been extremely volatile. Manitoba has provided a steady source of business to Northwestern Ontario.

...future marketing efforts will concentrate on increasing overnight pleasure trips by tourists staying in commercial accommodation

The Ministry of Tourism and Recreation will continue to market Ontario as a tourism destination to Ontario residents, promote pride in travelling at home, and publicize short getaways throughout the year.

Focused campaigns that reflect regional preferences will continue in Quebec and Manitoba.

As the Ministry takes a stronger lead role in capturing new customers in foreign markets, it will change its role at home.

The Ministry will continue to be a catalyst for joint promotions and seek out potential partnerships with both the corporate and tourism communities. Momentum will be built within the private sector to take on an increased lead role for marketing within the province.

The Ministry will continue to provide an umbrella marketing campaign and a co-ordinating role in Ontario, but the private sector will be encouraged to increase its participation.

A marketing strategy based on anticipating the changing demands and needs of today's tourists and on identifying emerging trends in tourism markets must be long-term. The tourism products and areas that are the focus of Ontario's long-term marketing efforts are also the target of the Ministry's tourism development activities. Under the strategic directions for tourism, resources will be devoted to the longer term, future development of tourism products, as well as toward short-term marketing campaigns.

Under the strategic directions for tourism, resources will be devoted to the longer term...

Specialty consumer segments have grown to meet the needs of tourists with specific demands: for example, outdoor activities such as angling, kayaking, trekking or golfing. Other travellers are looking for a holiday in natural surroundings, but with an emphasis on comfort and amenities. Focusing on such market niches is part of Ontario's tourism marketing strategy. These new growth markets are being identified through enhanced research.

CUSTOMER SERVICE

Satisfied Customers: The Best Tourist Promotion

The best promotion for Ontario tourism is a satisfied customer. Quality service is particularly important for today's more experienced travellers, and higher standards are one way to differentiate Ontario in a highly competitive international tourism market.

Attracting and satisfying customers is more than a matter of improved service from the tourist industry. Equally important is the reception tourists get from Ontarians. Publicizing the importance of a successful tourist industry to the provincial economy as a whole and developing, among the public at large, a customer service mentality will improve the general reception and service given to visitors and customers.

In partnership with corporate sponsors, the Ministry of Tourism and Recreation created the Tourism Awareness and Hospitality Training Program, in which more than 250 businesses have participated. As well as improving service to tourists, the program publicizes the importance of tourism to the Ontario economy. The Ministry's "We'll Make You Feel Incredible!" training program will continue to raise standards in the Ontario tourism industry as well as other service business in local communities, and promote awareness among all Ontarians of the economic and social benefits of the tourism industry.

A Quality Workforce

The key to high quality service in the tourism industry is a skilled and professional workforce. Many employees do not see tourism as a career and do not take a professional approach to their work. A recent study commissioned by the Ontario Government found that a critical shortage of labour exists in all job categories, turnover and attrition are high, and skill shortage is the biggest problem faced by the industry.

These issues must be tackled by the industry, with assistance from the government. The attractions of employment in the industry must be better promoted. There are a broad range of employment opportunities in a growing industry. Also, for many, the flexible hours and the option of part-time and seasonal work should be especially appealing, particularly for those who have taken early retirement or are looking for additional income.

For their part, the Ontario ministries which participated in the Manpower Needs Assessment study – Tourism and Recreation, Skills Development and Colleges and Universities – are developing ways to help ensure an adequate supply of qualified workers. Tourism must be promoted as a career. Skills of current and future industry employees must be upgraded. New and broadened training programs should be designed specifically for the tourism industry. The Ministry of Tourism and Recreation will work with the ministries responsible for education and skills training to help develop new and better programs which respond to the needs of today's hospitality industries.

Tourism must be promoted as a career. Skills of current and future industry employees must be upgraded

There is also a need to improve the ability of the industry to deal with foreign language travellers and groups with special needs. Future human resource strategies must also address management and sales techniques. For example, Ontario tourist operators must learn how to better package their products. One of the keys to improving service to tourists is the development of a "service culture" in the industry, based on the idea that meeting high standards of service entails a role for all members of the organization – from frontline staff, to back-of-house employees, to middle and senior management.

Raising Awareness

It is critical that communities understand the value of the tourism industry to their economic success and the contribution it makes to their quality of life – the theatres, restaurants, recreation facilities that could not be supported without the tourist business. Where the economic importance is understood, communities will more readily accept the need to develop attitudes that place a premium on excellent customer service.

This cannot be done by the provincial government alone. The effort must be directed and undertaken by the local and regional tourism organizations. The Ministry will work with the industry and local governments to identify opportunities for improving local commitment to tourism values and recreational infrastructure.

Information Services

Friendly and efficient communications can help attract new visitors and encourage word-of-mouth recommendations. Easy access to tourism information and a consistent and easily-understood grading service will inspire confidence in Ontario tourism. Modern technology can provide, throughout our key markets, the necessary easy and wide access to Ontario tourism information.

The 1-800-ONTARIO number has proved extremely effective in attracting enquiries. Further steps are being taken to improve the system.

- A computerized trip planning system will allow telephone counsellors to answer more calls.
- The Telemarketing Centre's computer system will be upgraded to give faster response and capture a broader range of data.
- An interactive system will answer routine questions, such as road reports, freeing counsellors to handle other enquiries.

NOTICE (the Northern Ontario Travel Information Centres Enhancement program) is an example of Ontario's commitment to improved travel information services. Under this program, the government provides grants to municipalities to establish or enhance travel information centres. Through the Ministry of Government Services, Ontario also supplies technical support.

These centres improve the quality of the vacation experience by providing information on things to see and do. They encourage visitors to stay longer in the province and demonstrate the principles of good customer service and appreciation of visitors.

The Ministry will continue to encourage the development of excellent information centres throughout the province and will continue to provide technical assistance and publications.

Over the course of the next five years, five of the Ministry of Tourism and Recreation's own travel centres will be completely rebuilt. Located mainly at border crossings, the refurbished centres will share a common, highly visible identity, and will incorporate features which consumers expect, such as 24 hour washrooms, currency exchange facilities, and a good selection of maps and brochures. Travel centres which have already been redesigned report substantial increases in the number of visitors.

Customer service will also be broadened to provide information for physically disabled travellers, older tourists, and other groups with special needs.

International Events

Events of international interest such as the Olympic Games, international expositions, world fairs, and other sporting and cultural events raise awareness of the host country as a tourist destination as well as attracting large numbers of visitors. Ontario also increases its profile among foreign tourists by participating in international events in other countries.

In the past, the government of Ontario has adopted a supportive role in both the bidding and hosting of international events. But with the rise in worldwide competition for these attractions, only strong government participation can influence the selection process.

Ontario's location in the heart of North America, its excellent transportation and business infrastructure make it an ideal location

Ontario's location in the heart of North America, and its excellent transportation, communications and business infrastructure make it an ideal location for such international events. Ontario has already successfully staged a number of smaller scale events such as the World Cup Ski Jumping in 1987. In 1989, Ontario celebrated the 350th Anniversary of Sainte-Marie among the Hurons. With the hosting of the World Economic Summit in June, 1988, Ontario demonstrated that major international events not only raise awareness of the Province as a tourist destination, but also directly generate significant economic benefits for Ontario.

In partnership with sporting organizations and other community groups, Ontario has expressed its strong interest in staging major international athletic meets, exhibitions and world fairs. Culture is recognized as an important and essential component of major international events.

International events in other countries also provide Ontario with the opportunity to promote itself as a tourist destination to the world. By participating in appropriate venues, the

province also demonstrates its commitment to the international community and to strengthening its standing internationally in tourism, science, technology, industry and finance.

Public Attractions

Public attractions serve as major travel generators. They are particularly effective when accompanied by other tourism facilities and services in a given destination area. The government will continue to examine innovative ways to optimize tourism return from public investment in attractions.

Public attractions serve as major travel generators... cultural and heritage resources also make an important contribution

The Niagara Parks Commission will work towards increasing the length of visitor stay and expanding visitation in the winter and shoulder periods. It will strive to maximize the benefit of public investment by involving the commercial sector through corporate sponsorships and co-operative planning with the private sector and municipalities.

The St. Lawrence Parks Commission is assuming increasing importance in the tourism development of Eastern Ontario. New initiatives will stress opportunities for co-operative efforts with the private sector.

Ontario Place is developing plans through which it can best respond to the growing importance of Toronto's waterfront and its own strategic location beside Exhibition Park.

The Ottawa Congress Centre and the Metro Toronto Convention Centre will continue to ensure that their facilities address the demands of the conventions and meetings organizers, and that their facilities continue to promote and develop tourism in Ontario.

Over the past several years, many ministries in the Ontario government have identified specific ways and means to promote tourism. For example, the Ministry of Transportation is committed to improving service centres, roadside picnic areas, and highway signage. It will also broker world-wide integrated air, rail, bus tours and marine charters.

Opportunities relating to tourism will be a consideration in the preparation of provincial park management plans. Plans will recognize the growing demand for natural resource based experiences in a sustainable environment.

Ontario's cultural and heritage resources also make an important contribution to tourism. In turn, tourism revenues are important in stimulating the growth and development of the cultural and heritage sectors.

PROMOTION AND DEVELOPMENT OF ONTARIO'S REGIONS

Ontario's Natural, Cultural, Recreational and Historic Assets

Ontario's international reputation as a tourist destination rests on the variety of experiences and amenities of its widely different regions.

Southwestern Ontario is noted for its cultural diversity, its rich heritage and historical buildings, and significant natural and scenic attractions. Central Ontario offers visitors the variety of multicultural and entertainment attractions available in the city of Toronto, the internationally recognized tourist destination of Niagara Falls, and well-known resort centres such as Muskoka. The strengths of Eastern Ontario lie in its lakes and waterways, its cultural and historical uniqueness, and its national significance as the site of Canada's capital. Communities in the North provide gateways to the region's vast and unspoiled natural beauty; fishing, canoeing and other outdoor and natural resource-based tourism experiences in Ontario's northern wilderness have an international reputation.

Ontario offers an abundance of specialized tourist experiences throughout the province, such as sailing, boating and fishing on the Great Lakes and on the inland lakes and waterways; quality accommodation; and an extensive system of scenic, themed touring routes. By building on these regional assets, tourism promotion and development can foster the broad provincial goal of regional development.

The tourism industry is dependent on the natural environment. Properly utilized, Ontario's natural resources can be inexhaustible. By encouraging appreciation of the natural environment, the tourism industry can help preserve cultural, resource and regional assets, and so make them accessible to future generations.

Ministry research shows that the employment and income impacts of tourist expenditure across regions vary significantly by origin of visitor. Visitors from Europe, Asia and other provinces spend relatively more in southern Ontario, while tourists from Ontario and the United States are relatively more important to the north.

Tourism development and marketing can help the regions build on traditional markets, and better respond to changing consumer demands. By selectively encouraging growth in

certain tourist sub-sectors and niche markets, Ontario's regions can exploit their comparative advantage, such as the provision of wilderness experiences.

Regional development is a priority of the provincial government, and tourism can make a strong positive contribution to employment growth. Special attention is focused on the promotion and development of tourism in Northern and Eastern Ontario. The Ministry recognizes that entrepreneurs in certain regions may face difficulty in securing capital.

Distribution of Tourism Expenditure by Region and by Origin of Visitors *(in millions of current $), 1988*

Region	Ontario	U.S.A.	Other Countries	Other Provinces	Total
Southwestern Ontario	870	377	19	35	1,361
Niagara & Mid-western	1,680	383	151	69	2,283
Georgian Lakelands	1,362	34	52	22	1,470
Metro Toronto	2,926	546	734	305	4,511
Central Ontario	1,402	36	20	29	1,487
Eastern Ontario	1,626	200	109	207	2,142
Northeast Ontario	1,017	139	8	38	1,202
Northwest Ontario	339	121	9	43	512
Total	11,222	1,836	1,102	748	14,908

Sources: Statistics Canada, Ministry of Tourism and Recreation

Programs providing financial support to the tourism industry are delivered through Ontario's Development Corporations. They recognize, through special incentives, these problems of access and security.

Quite apart from Ontario's regional economic development goals, Eastern and Northern Ontario are among the regions where the Province's natural endowments can best meet emerging market demands. The very fact that these regions have not had large-scale industrial development in the past makes them especially unique and desireable as tourist destinations in the future. The Ministry of Tourism and Recreation will seek partners, therefore, in both local communities and in government, to help develop regional tourist attractions of historical, cultural and natural interest. At the same time, Ontario will work with municipalities within the regions toward the development of co-operative and broader tourism plans.

Regional Marketing

The marketing activities of the Ministry will continue to reflect the diversity of products and features of all regions. Due to its great size and diversity, Ontario's regions appeal to different customers, and possess varying market potential. For example, in Minnesota, the north will be the primary region featured and the key product will be the outdoors. In Manitoba, only the north-west will be featured.

Another important component of regional marketing is the Ontario Travel Association Program (OTAP). These twelve associations cover the entire province and their key responsibility is to develop and execute regional marketing plans. Funded by provincial and local governments and the private sector, these associations and their member associations like Chambers of Commerce and local tourist boards are important for marketing regional differences and unique features. Ontario is a vast and diverse province which is difficult to market as a whole, especially to Ontario residents. Marketing the features of one region to another one can encourage Ontario residents to explore their province. Many of the associations also market their regional features to border U.S. communities.

The Ministry is currently reviewing this program to ensure that it will meet the challenges of the new strategic directions, and to ensure that the Ontario Travel Associations and their member associations can take on increasingly greater responsibility for the domestic marketing of tourism in Ontario.

FUTURE PROSPECTS

As a first step towards implementing the strategic directions, the activities of the Ministry are being re-oriented to meet the identified priorities.

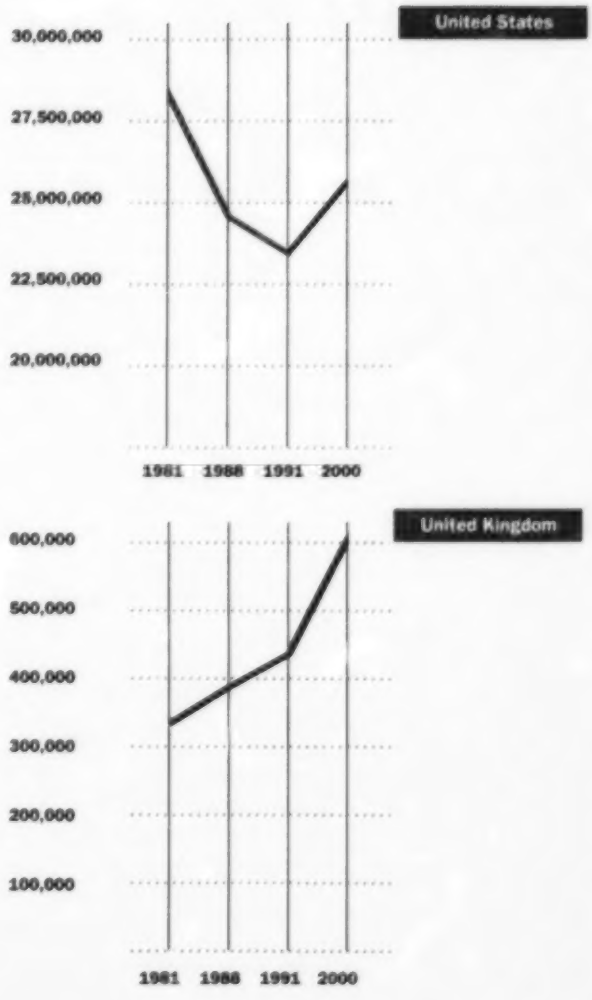
The strategic directions signal these priorities to tourism operators, local communities, other levels of government, and consumers of tourism services. They also signal industry priorities to other Ontario ministries and agencies, whose activities are tourism-related and thus have an impact on the health and future of the tourism industry.

To facilitate this mutual interest in issues of concern to the development of the tourism industry, the Ministry proposes the creation of a forum, through an Inter-ministerial Tourism Committee, so that key ministries can coordinate their actions in a timely and effective manner, and

- ensure harmonization of policies that affect tourism, including environmental issues;
- review regulations that affect the viability of the tourism industry, identify impediments and find solutions; and,
- expedite the approvals process for significant tourism development projects.

In developing these strategic directions with the industry and other key stakeholders over the past several years, a number of targets have emerged. These are ambitious and the degree to which they can be met will depend in large part on our ability to anticipate and to manage the change implicit in the various domestic and international forces facing tourism in the nineties. The Ministry is confident, however, that the implementation of the policy and planning framework

Person Trips to Ontario, Selected Countries, 1981–2000



Sources:
Statistics Canada for 1981 and 1988;
Ministry of Tourism and Recreation targets for 1991 and 2000.

established by the strategic directions, and commitment to the priorities contained therein, will make these targets both realistic and attainable by the year 2000.

While real tourism expenditure in Ontario has grown by 2.9 per cent a year since 1981, the current outlook calls for reduced growth in tourism spending until 1993, due to slower economic growth and the effects of the Goods and Service Tax (GST). An overall increase in the average annual growth rate for the period 1988-2000 over 1981-1988 will depend, therefore, on very robust growth during the years 1994-2000. The Ministry is committed to working with its partners to achieve such growth. Specific targets, predicated on the successful implementation of the strategic directions, are as follows:

Based on current trends and anticipated economic impacts on tourism in the 1990s, Ontario's real tourism expenditures could increase by 4.2% annually over the next decade. Associated with this growth in tourism expenditures will be corresponding real increases in employment and tax revenues.

Today tourism ranks fourth as a source of foreign earnings for the province. If the growth in international tourism continues as predicted, we believe that the successful implementation of the strategic directions could result in tourism being the third ranked source of foreign earnings by the year 2000.

The strategic directions signal new priorities for the use of the province's tourism resources, and anticipate the formation of key strategic alliances.

They will promote sustainable development as the basis for tourism growth. Our historical and cultural attractions, safe and secure communities and pristine natural environments will attract tourists and encourage them to return again. Tourism expenditures, in turn, will provide the economic motivation for preserving and sustaining the province's natural and cultural resources.

They will further encourage the development of new tourism products to meet market needs.

Finally, the strategic directions will facilitate the co-operation between governments and the tourism industry necessary for Ontario to remain internationally competitive in world tourism.

Sources:
Statistics Canada for 1981 and 1988;
Ministry of Tourism and Recreation targets for 1991 and 2000.